

GAAP Statement of Operations - Quarterly

<i>(unaudited)</i> <i>(in thousands, except share and per share amounts)</i>	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenue	\$ 31,445	\$ 34,105	\$ 30,097	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347
Cost of revenue (1) (2) (3)	7,353	6,953	7,309	7,144	7,696	7,891	7,704	7,733	7,742
Gross profit	24,092	27,152	22,788	22,860	20,633	23,872	20,288	19,365	18,605
Operating expenses (1) (2):									
Sales and marketing (3)	14,890	15,350	14,805	15,003	15,185	12,680	12,931	14,873	12,668
Research and development	5,902	5,990	5,760	5,147	4,971	4,659	4,512	4,410	4,155
General and administrative	6,451	6,248	6,344	6,678	8,530	6,311	5,525	6,822	6,421
Total operating expenses	27,243	27,588	26,909	26,828	28,686	23,650	22,968	26,105	23,244
(Loss) income from operations	(3,151)	(436)	(4,121)	(3,968)	(8,053)	222	(2,680)	(6,740)	(4,639)
Other income (expense):									
Interest income (expense), net	125	73	67	54	28	10	11	(1)	(21)
Other income (expense), net	(19)	(23)	36	13	57	36	90	(8)	55
Total other income (expense)	106	50	103	67	85	46	101	(9)	34
(Loss) income before income taxes	(3,045)	(386)	(4,018)	(3,901)	(7,968)	268	(2,579)	(6,749)	(4,605)
Income tax expense (benefit)	112	75	37	84	88	(5,567)	(27)	(22)	(42)
Net (loss) income	\$ (3,157)	\$ (461)	\$ (4,055)	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)
Net (loss) income per share:									
Basic	\$ (0.12)	\$ (0.02)	\$ (0.15)	\$ (0.15)	\$ (0.31)	\$ 0.23	\$ (0.10)	\$ (0.26)	\$ (0.18)
Diluted	\$ (0.12)	\$ (0.02)	\$ (0.15)	\$ (0.15)	\$ (0.31)	\$ 0.21	\$ (0.10)	\$ (0.26)	\$ (0.18)
Weighted average common shares outstanding:									
Basic	26,739,331	26,583,657	26,439,830	26,380,031	26,056,881	25,878,260	25,723,749	25,520,847	25,292,405
Diluted	26,739,331	26,583,657	26,439,830	26,380,031	26,056,881	27,577,027	25,723,749	25,520,847	25,292,405
(1) Includes stock-based compensation as follows:									
Cost of revenue (3)	\$ 217	\$ 87	\$ 298	\$ 239	\$ 327	\$ 344	\$ 376	\$ 384	\$ 313
Sales and marketing (3)	752	978	931	1,172	746	1,098	1,115	1,327	1,077
Research and development	649	601	588	503	568	477	496	546	443
General and administrative	1,115	1,149	1,023	1,454	1,283	1,136	878	1,660	1,592
Total stock-based compensation	\$ 2,733	\$ 2,815	\$ 2,840	\$ 3,368	\$ 2,924	\$ 3,055	\$ 2,865	\$ 3,917	\$ 3,425
(2) Includes depreciation and amortization as follows:									
Cost of revenue (3)	\$ 877	\$ 920	\$ 949	\$ 1,066	\$ 1,084	\$ 1,165	\$ 1,139	\$ 1,176	\$ 1,276
Sales and marketing (3)	220	227	267	256	248	253	236	249	274
Research and development	98	100	102	111	111	113	111	112	122
General and administrative	285	290	287	270	290	346	420	423	423
Total depreciation and amortization	\$ 1,480	\$ 1,537	\$ 1,605	\$ 1,703	\$ 1,733	\$ 1,877	\$ 1,906	\$ 1,960	\$ 2,095

Non-GAAP Statement of Operations - Quarterly (see Non-GAAP reconciliation on following page)

	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
<i>(unaudited)</i> <i>(in thousands)</i>	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenue	\$ 31,445	\$ 34,105	\$ 30,097	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347
Cost of revenue (3)	7,136	6,866	7,011	6,905	7,369	7,547	7,328	7,349	7,429
Gross profit	24,309	27,239	23,086	23,099	20,960	24,216	20,664	19,749	18,918
Operating expenses:									
Sales and marketing (3)	14,138	14,372	13,874	13,831	14,439	11,582	11,816	13,546	11,591
Research and development	5,253	5,389	5,172	4,644	4,403	4,182	4,016	3,864	3,712
General and administrative	5,336	5,099	5,321	5,224	4,708	5,175	4,647	5,162	4,829
Total operating expenses	24,727	24,860	24,367	23,699	23,550	20,939	20,479	22,572	20,132
(Loss) income from operations	(418)	2,379	(1,281)	(600)	(2,590)	3,277	185	(2,823)	(1,214)
Other income (expense):									
Interest income (expense), net	125	73	67	54	28	10	11	(1)	(21)
Other income (expense), net	(19)	(23)	36	13	57	36	90	(8)	55
Total other income (expense)	106	50	103	67	85	46	101	(9)	34
(Loss) income before income taxes	(312)	2,429	(1,178)	(533)	(2,505)	3,323	286	(2,832)	(1,180)
Income tax expense (benefit)	112	75	37	84	88	(5,567)	(27)	(22)	(42)
Net (loss) income	\$ (424)	\$ 2,354	\$ (1,215)	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)

GAAP to Non-GAAP Reconciliation - Quarterly

	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(unaudited)</i> <i>(in thousands)</i>									
GAAP Gross profit as reported	\$ 24,092	\$ 27,152	\$ 22,788	\$ 22,860	\$ 20,633	\$ 23,872	\$ 20,288	\$ 19,365	\$ 18,605
Add: Stock-based compensation - Cost of revenue (3)	217	87	298	239	327	344	376	384	313
Non-GAAP Gross profit	\$ 24,309	\$ 27,239	\$ 23,086	\$ 23,099	\$ 20,960	\$ 24,216	\$ 20,664	\$ 19,749	\$ 18,918
GAAP (Loss) income from operations as reported	\$ (3,151)	\$ (436)	\$ (4,121)	\$ (3,968)	\$ (8,053)	\$ 222	\$ (2,680)	\$ (6,740)	\$ (4,639)
Add: Stock-based compensation - Cost of revenue (3)	217	87	298	239	327	344	376	384	313
Add: Stock-based compensation - S&M (3)	752	978	931	1,172	746	1,098	1,115	1,327	1,077
Add: Stock-based compensation - R&D	649	601	588	503	568	477	496	546	443
Add: Stock-based compensation - G&A	1,115	1,149	1,023	1,454	1,283	1,136	878	1,660	1,592
Add: One-time charge for VDAs related to sales taxes	—	—	—	—	2,539	—	—	—	—
Add: Headquarters relocation and related costs	—	—	—	—	—	—	—	—	—
Non-GAAP (Loss) income from operations	\$ (418)	\$ 2,379	\$ (1,281)	\$ (600)	\$ (2,590)	\$ 3,277	\$ 185	\$ (2,823)	\$ (1,214)
GAAP Net (loss) income as reported	\$ (3,157)	\$ (461)	\$ (4,055)	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)
Add: Stock-based compensation - Cost of revenue (3)	217	87	298	239	327	344	376	384	313
Add: Stock-based compensation - S&M (3)	752	978	931	1,172	746	1,098	1,115	1,327	1,077
Add: Stock-based compensation - R&D	649	601	588	503	568	477	496	546	443
Add: Stock-based compensation - G&A	1,115	1,149	1,023	1,454	1,283	1,136	878	1,660	1,592
Add: One-time charge for VDAs related to sales taxes	—	—	—	—	2,539	—	—	—	—
Add: Headquarters relocation and related costs	—	—	—	—	—	—	—	—	—
Non-GAAP Net (loss) income	\$ (424)	\$ 2,354	\$ (1,215)	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)

(3) Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications had no impact on reported (loss) income from operations or net (loss) income for the period.